



SERVICE SECTOR INDICATORS

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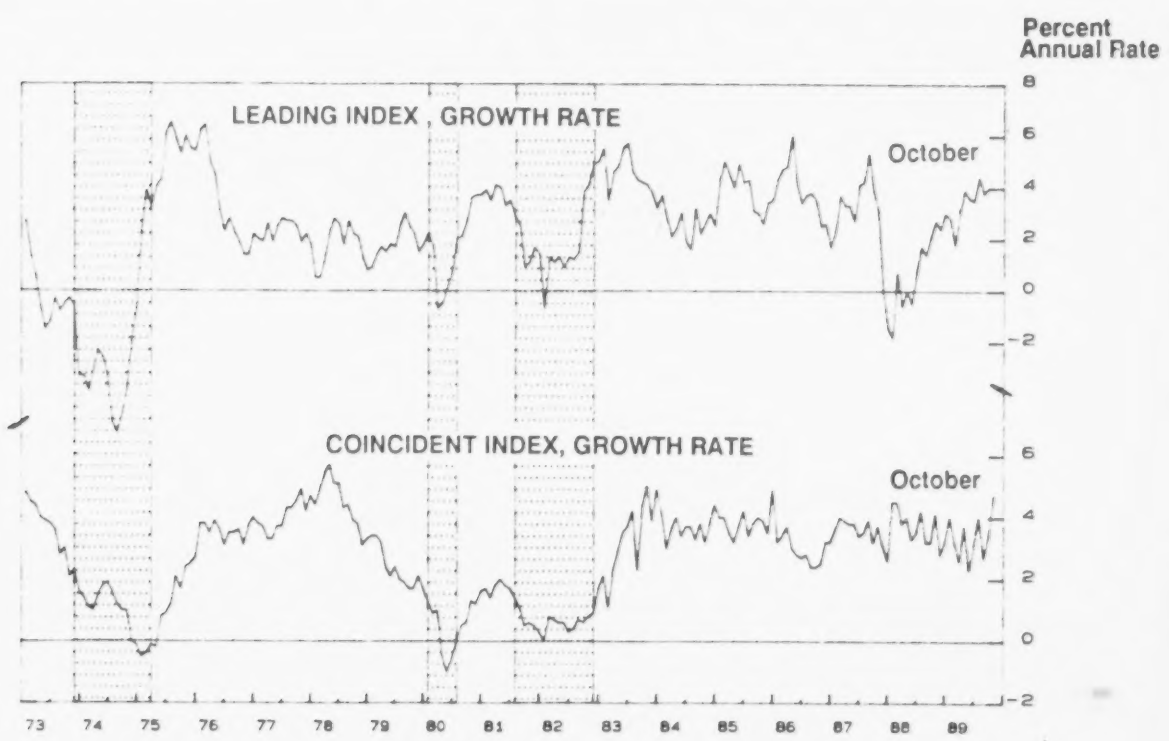
Dr. Geoffrey H. Moore, Director

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NO SLOWDOWN IN THE SERVICE SECTOR

The leading index of service sector activity recorded a 4.0% growth rate in October, while the coincident index growth rate moved up to 4.7%. "No slowdown is apparent yet in the service sector, despite the weakness in manufacturing," observed Dr. Geoffrey H. Moore, Director of the Columbia Business School's Center for International Business Cycle Research.

Two of the four components of the leading index rose in October, namely the average workweek and stock prices for service companies. Declines occurred in contracts for commercial buildings and in the index of profit margins. In the coincident index only three of the four components were available for October, but all showed an increase from September, bringing the index to a new high.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)*	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Jan.	147.2	-1.8	32.84	746	82.3	111.7
Feb.	149.3	0.7	32.98	912	86.0	113.5
Mar.	148.4	-0.6	32.69	825	87.5	113.4
Apr.	149.0	0.0	32.93	822	85.3	112.6
May	148.6	-0.5	32.78	817	83.0	112.8
June	149.7	0.7	32.82	807	89.2	113.5
July	150.5	1.7	33.00	838	88.7	113.1
Aug.	150.3	1.4	32.76	864	87.9	114.2
Sept.	150.8	2.1	32.88	805	91.0	113.4
Oct.	151.3	2.7	32.96	768	94.3	112.5
Nov.	151.2	2.4	32.77	791	91.7	114.3
Dec.	151.9	3.0	32.91	801	92.9	113.8
1989:						
Jan.	152.1	2.8	32.95	871	95.2	111.6
Feb.	151.7	1.8	32.75	667	98.7	113.0
Mar.	153.0	3.1	32.81	781	98.5	114.6
Apr.	154.0	3.9	33.07	773	102.5	113.1
May	154.2	3.6	32.75	802	108.0	114.8
June	154.6r	3.5r	32.76	854	111.6	113.6r
July	155.7r	4.4r	33.03	797	116.5	112.7r
Aug.	155.7r	3.8r	32.72r	742	121.9	114.9r
Sept.	156.3	4.0r	32.82r	819	122.1	113.9r
Oct.	156.8	4.0	33.00	795	122.6	112.7

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index* (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982\$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982\$, ann. rate)	Services Labor Income (bil. 1982-84\$, ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Jan.	181.0	4.5	1844.4	1263.5	667.3	106.6
Feb.	181.6	4.5	1854.1	1264.7	666.2	107.6
Mar.	181.5	3.8	1856.9	1269.5	664.6	107.0
Apr.	182.2	4.0	1859.7	1269.1	668.5	108.1
May	182.1	3.3	1862.5	1270.8	667.0	107.8
June	182.8	3.5	1868.6	1278.6	667.0	108.5
July	184.0	4.2	1874.7	1283.9	672.2	109.7
Aug.	183.7	3.2	1890.8	1291.4	667.4	106.9
Sept.	184.2	3.2	1886.1	1285.6	674.2	109.2
Oct.	185.6	4.1	1891.4	1297.5	680.3	110.3
Nov.	184.9	2.8	1896.7	1292.6	672.6	110.0
Dec.	185.8	3.2	1899.5	1295.5	678.5	110.8
1989:						
Jan.	187.2	4.0	1902.3	1297.1	693.2	111.5
Feb.	187.0	3.2	1905.1	1311.7	683.7	111.2
Mar.	186.8	2.6	1910.0	1311.2	679.9	111.2
Apr.	188.4	3.7	1915.0	1315.7	690.5	112.5
May	187.5	2.3	1919.9	1318.4	681.4	111.5
June	188.8r	3.1r	1925.3r	1322.9	691.8	112.2
July	190.2r	4.0	1930.8r	1327.4r	702.4r	113.2
Aug.	189.4r	2.7r	1936.2r	1334.2r	692.2r	112.2r
Sept.	190.6r	3.4r	---	1338.4r	699.6r	112.8r
Oct.	192.4	4.7	---	1345.1	710.0	113.8

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.
r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.

4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adjusted by CIBCR.

5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.

6. This series is constructed by CIBCR using the price deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.

9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.

11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.

12. Bureau of Labor Statistics, all employees.

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